




STATE OF DELAWARE

**PUBLIC SERVICE COMMISSION**  
861 SILVER LAKE BLVD.  
CANNON BUILDING, SUITE 100  
DOVER, DELAWARE 19904

June 21, 2019

**MEMORANDUM**

TO: The Chairman and Members of the Commission

FROM: Shona Marshall, Public Utility Analyst 

SUBJECT: IN THE MATTER OF THE APPLICATION OF RICHARDS ENERGY GROUP, INC. FOR A CERTIFICATE TO PROVIDE ELECTRIC SUPPLY SERVICES WITHIN THE STATE OF DELAWARE (SUBMITTED FEBRUARY 15, 2019; FILED JUNE 14, 2019) - PSC DOCKET No. 19-0097

---

**Background**

On February 15, 2019, Richards Energy Group, Inc. (“Richards Energy” or the “Company”) submitted an application (the “Application”) with the Delaware Public Service Commission (the “Commission”) for an Electric Supplier Certificate (“ESC”) to broker electricity in the State of Delaware pursuant to § 1012 of the Electric Utility Restructuring Act of 1999, 26 *Del. C.* §§ 1001 - 1020 (the “Act”) and 26 *Del. Admin. C.* § 3001, the Commission’s Rules for Certification and Regulation of Electric Suppliers (the “Supplier Rules”).<sup>1</sup>

**Application**

The Company’s original filing was submitted on February 15, 2019, but the submitted Application was deficient in meeting the minimum filing requirements (“MFR’s”). In a letter dated March 12, 2019, Commission Staff (“Staff”) requested the Company provide documentation related to its authorization to do business in Delaware, retail experience, and marketing materials. The Company’s response dated April 8, 2019 did not satisfy the requirements of the MFR’s and Staff issued three additional letters of deficiency dated, April 10, 2019, May 13, 2019, and May 31, 2019 in an attempt to rectify the deficiencies. The Company’s response submitted June 14, 2019 satisfied the requirements of the MFR’s.

**Review and Analysis**

---

<sup>1</sup> Unless otherwise noted, all references to capitalized terms are set forth in the Act and/or the Supplier Rules.

#### Authority to do Business in Delaware

Richards Energy is a limited liability company formed in the Commonwealth of Pennsylvania. The Company provided proof issued by the Delaware Secretary of State that it is legally authorized and qualified to do business in the State of Delaware. The Delaware Certificate of Good Standing was issued February 13, 2019. The Delaware business license was issued April 24, 2019 and is valid from January 1, 2019 through December 31, 2019.

#### Resident Agent

The Company supplied the contact information for Paracorp Incorporated located at 2140 S Dupont Highway, Camden, DE 19934.

#### Compliance with Regional Requirements

The Company agreed to only work with an entity that complies with PJM's requirements and is a certified electric supplier in Delaware.

#### **Financial, Operational, Managerial and Technical Ability**

The Company submitted a Balance sheet, Statement of Income, Statement of Retained Earnings, and a Statement of Cash Flows as of October 31<sup>st</sup> of 2017 and 2016 that were compiled by an accounting firm. The Company also submitted a Profit & Loss Statement and a partial Balance Sheet for the period of November 2017 through October 2018 that were prepared by Tara Nordby, the Chief Operating Officer of Richards Energy as indicia of financial capability under Section 2.2.16.2 of the Supplier Rules. Staff has reviewed the accompanying financial statements. The Company has satisfied the requirements of the Supplier Rules for purposes of brokering electric supply services in the State of Delaware.

Richards Energy anticipates serving small commercial, large commercial, and industrial customers throughout the State of Delaware. The Company is currently licensed as a broker in Maryland, New Jersey, and Pennsylvania.

The Application included a summary of experience and qualifications for its officers. Frank J. Richards, PE, CEP is currently the Chief Executive Officer of the Company and has held this position since 2014. From 1995-2014, Frank served as the President and Founder of Richards Energy Group. He has over 24 years of managerial experience and 49 years in the energy industry. Frank has been a Certified Energy Procurement Professional since 1998. Peter F. Richards has been the President, Chief Technical Officer, and Chief Visionary Officer at Richards Energy since September 2014. Peter has been with the Company since March 2003 and held the positions of Energy Engineer/Senior Energy Engineer (March 2003-August 2012) and Vice President (August 2012-September 2014). Peter possesses various certifications, including: an Energy Manager (CEM, May 2004), Business Energy Professional (BEP, August 2005), and an Energy Auditor (CEA, May 2004). Tara Nordby is the Vice President of Operations and the Chief Operating Officer of the Company and has held these positions since September 2014. From June 2011 through September 2014, Ms. Nordby served as General Manager of Richards Energy. She possesses seventeen years of managerial experience, eight years in the energy industry, and a certification as an Energy Procurement Professional (CEP, 2016).

#### Surety Bond

The Company did not post a surety bond because there are no service agreements between the Company and any Delaware Electric Distribution Company.

#### Verification of Application

The Application and subsequent filings to the Application contained a signed sworn verification of application with the signature of Peter Richards, the President of Richards Energy.

#### Consent to Jurisdiction

The Company consents to the jurisdiction of the Delaware courts.

#### Contracts and Marketing Materials

The Company is a broker and will not have contracts with customers. The Company submitted a marketing plan but has not submitted marketing materials. The Company is required to submit marketing materials to the Commission for review before deploying in the state of Delaware in accordance with the Supplier Rules.

#### Statement of Criminal Activity

The Applicant stated that it has not been charged or convicted of any criminal activity nor have any of its principals or corporation offices. An internet review of the Company and its principals did not return any incidents of criminal activity.

#### **Legal Review**

Staff submitted this Memo for review by the Attorney on July 2, 2019.

#### **Staff Recommendation**

Based on Staff's review and analysis of the Application, the Company has satisfied the requirements of the Act and the Supplier Rules. The completed Application supports the Company's request for certification. Staff's review and analysis of the Application demonstrates substantial evidence of capability to render service based on the Company's financial, operational, managerial and technical abilities. Therefore, Staff recommends the Commission approve the Application.